

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L AMMAN 002791

SIPDIS

E.O. 12958: DECL: 04/07/2014

TAGS: [ETRD](#) [IZ](#) [JO](#) [PREL](#)

SUBJECT: JORDAN'S EXPORTS TO IRAQ SURGE DESPITE ANTI-JORDAN
BIAS IN SOME QUARTERS

1. (C) SUMMARY: Although Jordan's exports to Iraq surged by 47% over the first two months of this year, a top Jordanian Trade Ministry official reported that Jordan still faces an anti-Jordan bias in some quarters in Iraq. He recently met with a visiting Iraqi trade official who had promised to improve communications to Jordan on upcoming procurements in Iraq so that Jordanian companies could participate in the future tenders. END SUMMARY.

2. (U) According to Farouk Hadidi, Secretary General of Jordan's Ministry of Trade and Industry, Jordan's exports to Iraq in the first two months of this year surged 47% over the same two months of last year. These figures record the exports of Jordanian-produced goods alone, consisting of garments, appliances, food, construction materials, and electrical equipment.

3. (U) In response to the Ambassador's observation that Jordanian businessmen should be pleased with this surge in capacity, Hadidi said the nature of the trade had changed. Companies that were exporters to Iraq in the past, primarily under the oil for food program (providing powdered milk, vegetable oil, and detergents) were not now exporting to any significant extent. These companies could no longer compete for contracts under Iraq's food basket program. Recognizing that Iraqi consumers cannot yet afford to buy these products at market prices, he bemoaned the fact that Jordan cannot afford to lose the Iraqi market for these products for the next two years. On the bright side, there were new products being exported to Iraq. Exports of construction materials, for example, were booming.

4. (C) The Ambassador noted the number of negative remarks that we hear from Iraqis--both from government officials and the public--about Jordan and its trade relationship with the previous regime. Hadidi admitted that there was a problem.

5. (C) Iraq's Ministry of Health, even before the regime change, had an unwritten policy not to buy Jordanian goods. As a result, much of Iraq's business in this area, as well as in some other areas, was shifting to Syria. Hadidi believed this shift in trade was a political decision--not one based on price or quality. He noted that there was a campaign under way in Iraq before the war to explain this shift to the Iraqi public.

6. (C) Nevertheless, it was true that Jordan had not found the most friendly environment in Iraq since the war's end. The Ministry was addressing the problem. He had met recently with an Iraqi Trade Ministry Official. (Note: It was Ahmad Al-Mukhtar, Director General of the Ministry of Trade, Foreign Relations Department, who represented the Iraqi government at the "Rebuilding Iraq Conference" held in Amman in late March. End Note.) Hadidi described the Trade Ministry as "more reasonable" than some other Iraqi ministries. He said Al-Mukhtar believed that Iraq needed more open channels with all countries and was also appreciative to Jordan for useful training which Trade Ministry staff had received earlier in Amman.

GNEHM